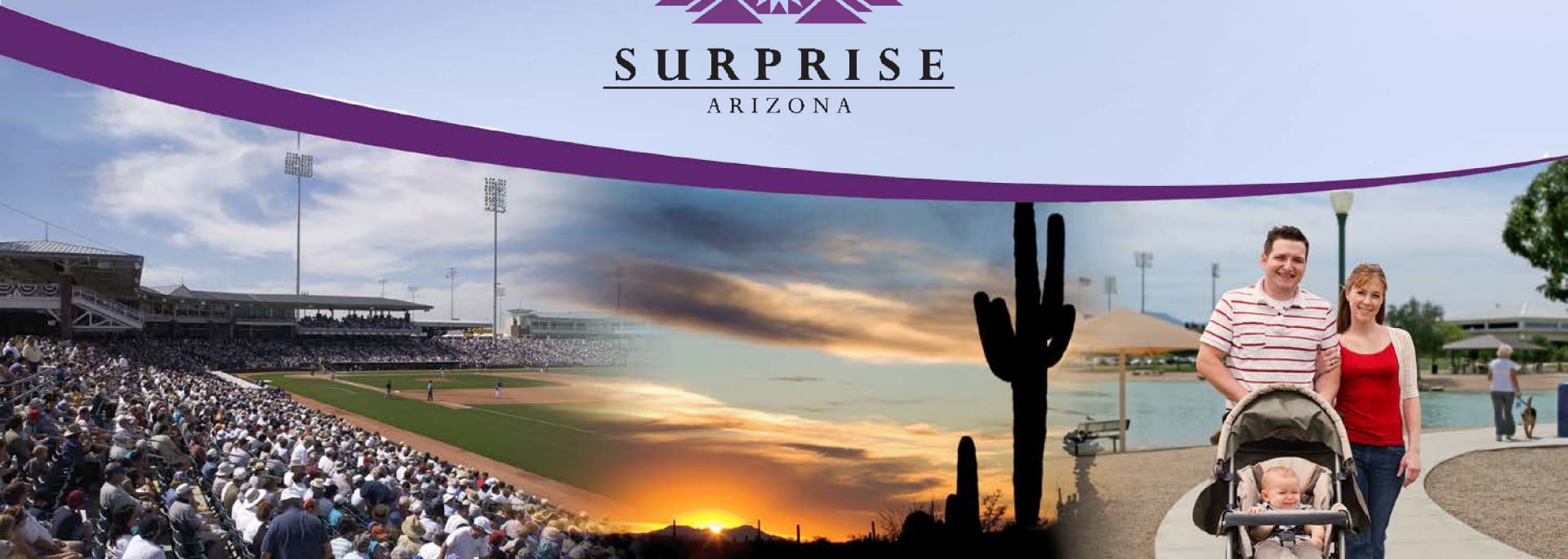


Solid Waste Rate Multi-Year Financial Plan

April 24, 2012 City Council Meeting



Purpose of Presentation



- 1. Define Enterprise Funds**
- 2. Discuss Financial Status and Rate Recommendations**
- 3. Identify City Council Policy Decisions**

Define Enterprise Funds



Enterprise Funds are used to account for those activities that are “business like” in which rates recover costs.

- 1. Water**
- 2. Wastewater**
- 3. Solid Waste**

Executive Summary

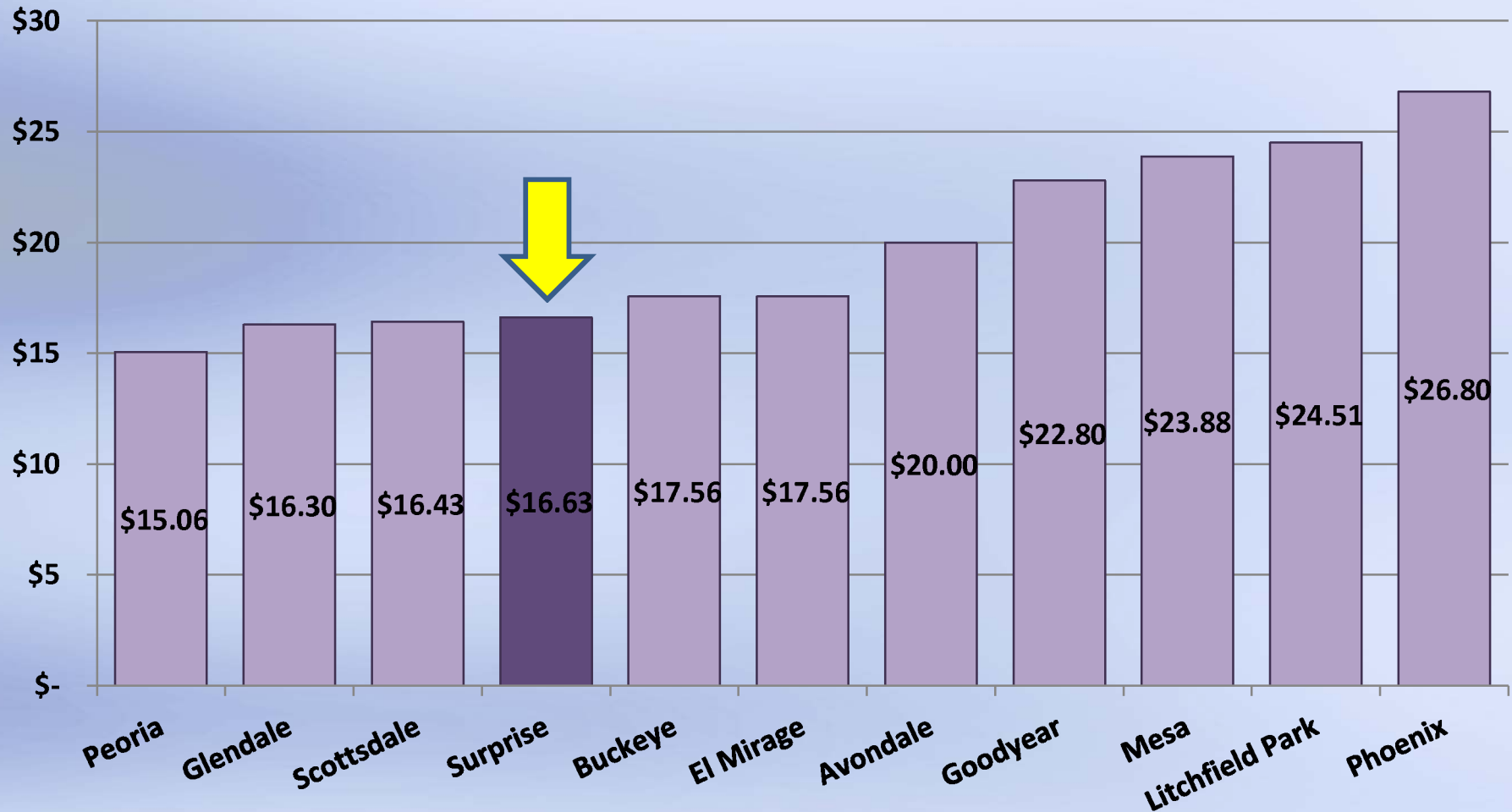


- **~32,000 Customers**
 - Residential only
 - Service is provided citywide, with the exceptions of Sun City Grand and Arizona Traditions
- **FY 2013: No Rate Increases are Recommended**
- **Emphasis placed on multi-year perspective**
- **Privatization of Service to be discussed by City Council (separate presentation)**
- **No Vehicle Replacement Scheduled for FY2013**

Monthly Residential Utility Bill Comparison



Solid Waste Charges Single Trash Container



RATES

- **Current Monthly Bill: \$16.63**
- **Last Rate Increase: 5.3% on 1/1/10**
- **Recommended Rate Increases:**
 - **FY 2013: Rate Increase Not Recommended**
 - **FY 2014: Rate Increase Not Recommended**

- **Strong Financial Structure**
 - Operating Revenues Exceed Operating Expenses
 - Vehicle Replacement is Cash Funded
 - \$0.5 M. Annual Depreciation
- **Strong Reserves**
- **Expense Drivers: Fuel**

Solid Waste Financial Plan

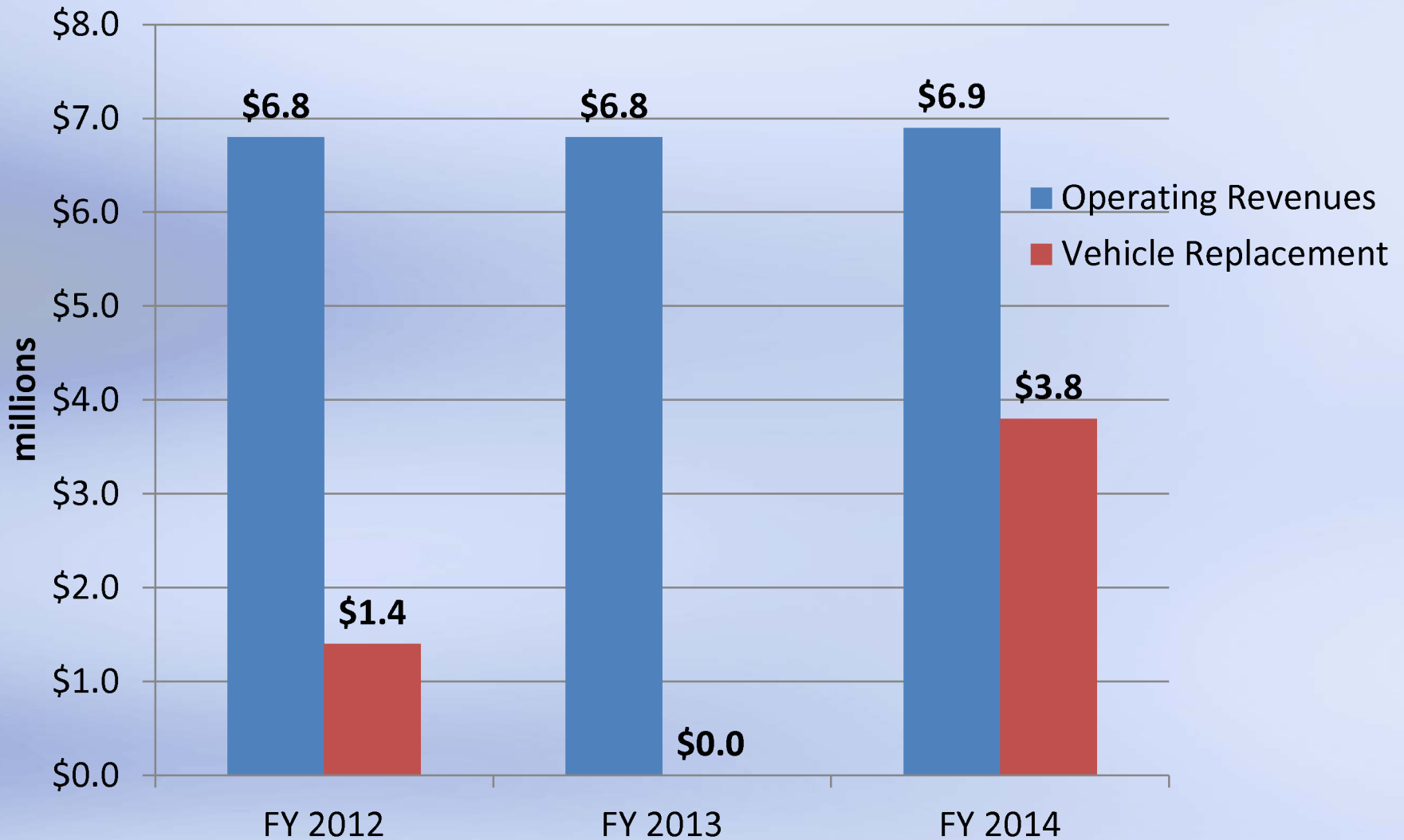


Solid Waste Operations	FY 2012	FY 2013	FY 2014
Solid Waste Rate Revenue	\$6.4M	\$6.4M	\$6.5M
Other Revenues	\$0.4M	\$0.4M	\$0.4M
Total Operating Revenues	\$6.8M	\$6.8M	\$6.9M
Operating Expenses	\$5.7M	\$5.7M	\$5.8M
Scheduled Vehicle & Equipment Replacement	\$1.4M	\$0.0	\$3.8M
Total Expenses	\$7.1M	\$5.7M	\$9.6M
Annual Surplus/(Deficiency)	(\$0.3M)	\$1.1M	(\$2.7M)
Beginning Cash Balance	\$8.7M	\$8.5M	\$9.7M
Ending Cash Balance	\$8.4M	\$9.6M	\$7.0M
Operating Reserves			
Operations & Maintenance 60 Day Target Reserve	\$0.8M	\$0.8M	\$0.8M
Routine Capital Replacement Reserve	\$2.1M	\$2.6M	\$1.6M
Unreserved Cash	\$5.5M	\$6.2M	\$4.6M

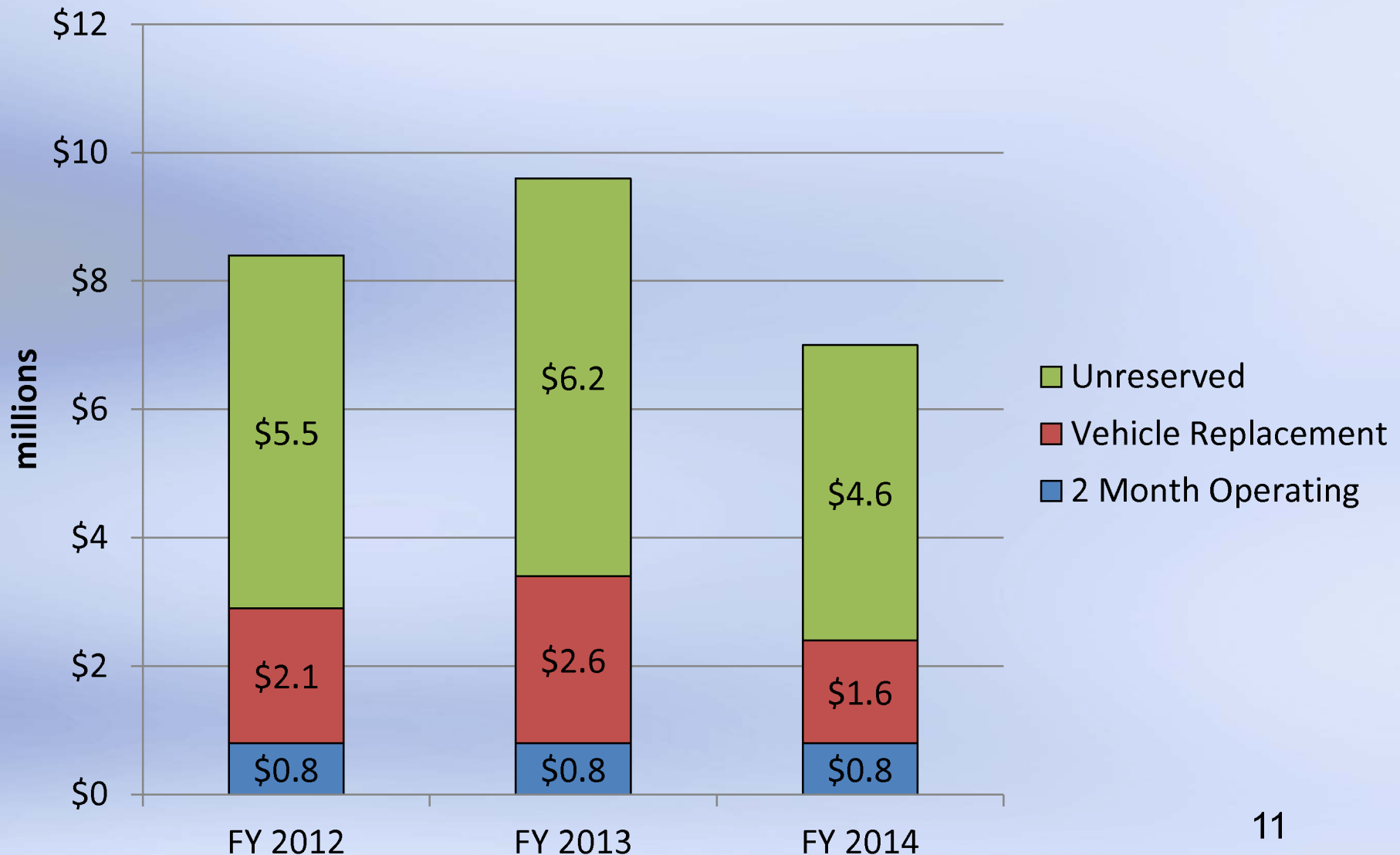
Solid Waste Annual Projections



Vehicle Replacement relative to Revenues



Solid Waste Reserves



- 1. Consider Privatization (separate presentation)**
- 2. Rate Reduction Possible**
 - \$0.50 or \$1.00 per Month
 - As discussed last year
- 3. Affirm 2 Month Operating Reserve Policy (cash)**
- 4. Initiate Vehicle Replacement Reserve Policy**
 - A practice, but not a formally adopted financial policy

Questions and Comments

